GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:4532
ANSWERED ON:29.03.2017
Lack of Funds
Devi Smt. Rama

Will the Minister of RAILWAYS be pleased to state:

(a) whether completion of certain rail projects has been delayed due to lack of adequate funding;

(b) if so, the names of such projects;

(c) the cost overruns borne by the Government due to the delays in completion of the said projects; and

(d) the remedial steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

(a) & (b): Railways has a large shelf of ongoing projects with limited overall availability of funds for their execution. As a result, funds are thinly spread out thus prolonging the period of completion of most of the projects. Moreover, targets for completion of projects are set on yearly basis and funds to each project are allocated every year depending on the total budget outlay, progress made in each project & relative priority.

(c): Projects do face cost overruns due to delay in acquisition of land, statutory clearances like forestry and wild life clearances, shifting of services, cutting of trees, construction of road over bridges and road under bridges by road maintaining agencies etc. Magnitude of cost overruns cannot be quantified, as getting such approvals is a continuous process. It is not possible to quantify cost/time overrun in real terms.

(d): Railways is working on the alternative means of funding to accelerate project execution as detailed below:-

(i) Initiative for formation of Joint Venture Company with State Governments which makes the States a partner in growth of railway infrastructure in the States.

(ii) Institutional financing by tying up loan with M/s Life Insurance Corporation of India Limited for assured funding of viable projects has increased Railways' capacity for committed fund provision for essential projects.

(iii) Requesting State Government for cost sharing alongwith provision of free land & other concessions,

(iv) Encouraging PPP (Public Private Partnership).

To reduce delays on account of land acquisition, security issues and forestry clearances etc, meetings with State Government officials and Ministry of Environment & Forests at various levels are held from time to time.

Field units have been empowered with further delegation of powers to sanction estimates and award contracts.

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